

FISCAL NOTE

Bill #: HB0248

Title: Free first year youth combo license

Primary Sponsor: Balyeat, J

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	\$0	\$0
Revenue:		
State Special Revenue	(\$42,369)	(\$42,369)
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact
<input type="checkbox"/> Included in the Executive Budget
<input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Technical Concerns
<input checked="" type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Needs to be included in HB 2 |
|---|---|

Fiscal Analysis

ASSUMPTIONS:

1. A review of licenses sold in license year 2002 (LY 2002) reflects that 4,839 youth resident sportsman without bear (ages 12-17) licenses were sold.
2. The number of individuals under the age of 18 who took hunter education last year was 6,399.
3. The number of individuals who purchased youth resident sportsman w/o bear licenses and completed hunter education during LY 2002 was 411.
4. The number of individuals between the ages of 12-14 years who took hunter education last year was 5,648.
5. If offered a free youth resident sportsman without bear license, 90 percent of eligible youth will take advantage of the offer. ($90\% \times 6,399 = 5,759$)
6. Offering a free youth resident sportsman w/o bear license will decrease sales for youth fishing (\$6.50), currently selling 7,057; upland bird (\$3.00), currently selling 1,282; youth elk (\$8.00), currently selling Resident Senior, Youth, and Disabled Elk (assume 1/3 sold to youth) -- $19,508 \text{ licenses} \div 3 = 6,438$; and youth Deer A (\$6.50) currently selling Resident Senior, Youth, and Disabled Deer A (assume 1/3 sold to youth) -- $23,685 \text{ licenses} \div 3 = 7,816$. The average youth license cost = \$6.00.
7. FWP tries to isolate how many of these sales were to first-time buyers as compared to second-time, third-time, etc. buyers. The logic was to use the number of hunter ed graduates; assume 90% would buy a first-time license; remove the number of youth combo licenses sold (411); and multiply this amount by the

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average cost (\$6.00) of the various youth licenses available. Therefore, the 90 percent of eligible youth – less the 411 who purchased youth resident sportsman w/o bear licenses – will not purchase the individual youth licenses. The loss of revenue from decreased sales will be \$32,094. $(5,759 - 411 = 5,348)$ $(5,348 \times \$6.00 = \$32,094)$.

8. The 411 individuals who purchased youth resident sportsman w/o bear licenses will now get them free. The revenue loss will be \$10,275. $(411 \times \$25 = \$10,275)$
9. Free licenses will be issued by the License Bureau upon confirmation of hunter education completion. The administrative costs will be covered by funds that would have been paid to license agents as commission.
10. System configuration and fulfillment costs will be absorbed in the existing Automated Licensing System budget.
11. The bill will take effect in LY 2003 which effects FY 2004 revenues.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Revenues:</u>		
State Special Revenue (02)	(\$42,369)	(\$42,369)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	(\$42,369)	(\$42,369)

LONG-RANGE IMPACTS:

Providing a free youth resident sportsman without bear licenses will be an incentive for more youth to take hunter safety education courses. This will have a positive long-term impact on hunting and fishing resulting in increased license sales in future years.